



**STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
BOARD FOR LICENSING CONTRACTORS**

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Tornado Victims

Warning Against Hiring Unlicensed Contractors

The Tennessee Board for Licensing Contractors warns recent tornado victims to use caution when hiring a contractor to repair or rebuild their homes. Unscrupulous, unlicensed contractors often prey on victims of natural disasters. The Board has found in the past where some contractors take advantage of homeowners who are anxious to rebuild. Take your time and protect yourself against con artists who will take your money and run - or incompetent contractors who will perform shoddy work. Hire only licensed contractors and check them out with the Board!

License Required by Law

- **“Contractor”** license is required for projects where the total cost is **\$25,000 or more**, for those acting as a prime (bidding directly to the owner; subcontractors, those performing electrical, plumbing, and HVAC, are required to obtain a contractor’s license.
- **“Home Improvement Contractor”** license is required for remodeling projects, where the total cost is **\$3,000 and up**. The following counties have adopted the home improvement law requirement: **Bradley, Davidson, Knox, Hamilton, Haywood, Rutherford, Robertson and Shelby**.

- You may also check on a “**Limited Licensed Electrician**” or “**Limited Licensed Plumber**”; these licenses are required mainly in municipalities who do not perform their own testing, or inspections, or those without local licensing codes officials. Those with their own local licensing agency have their own master or journeyman licenses.
- Ensuring all proper **permits** are **obtained by the contractor** from local government for **inspections** is one of the best steps, as these code officials diligently make sure the contractors are properly licensed before releasing the permit, and in some municipalities, require bonding or code inspections.

License Search Tips

At the Board’s website, you may click onto [“License Search”](#) to check a contractor’s status; look for only those with a status of “**Active – Fully Licensed**” (*those with a “Delinquent” or “Retired” status are those who have renewal rights, but have not completed the renewal process by submitting proof of insurance, etc.*). You may also search by: mailing address, city, state, firm name or licensed ID number. To pull up a list of all licensed contractors, click onto the “**Profession**” such as “**Contractors**” and this will bring up a list of all licenses in that particular profession and their status. Click onto “**Details**” for their license expiration date, classification and monetary limit. A licensed “contractor” is needed when the project is \$25,000 or more; and the acceptable classification for building would be within the “**BC**” **building categories; monetary limit** (amount the contractor may contract) is assigned to the contractor based upon their financial statement and may not contract in excess of the limit (10% tolerance is acceptable).

Consumers may verify a license status and complaint history by calling our office toll-free at **(800) 544-7693**. There is an automated menu; however, you may press “**0**” for the receptionist or “**8**” for the next available attendant. The [“Disciplinary Action”](#) and [“Problem Contractor”](#) lists only the closed complaints or those who have had disciplinary action taken and finalized (closed cases).

The Board's website has "[Consumer Resources](#)" with links to the Division of Consumer Affairs (*offers consumer protection assistance*), Federal Emergency Management Agency (*FEMA*), and Better Business Bureau (*BBB*); *with more detailed tips*.

Tips to Hiring a Contractor

The Board urges consumers to follow these tips when dealing with contractors:

- Hire only **licensed** contractors; ask to see their Tennessee license pocket card and verify their license status at:
<http://tennessee.gov/commerce/boards/contractors/>

Or, by contacting the Board's office at **(800) 544-7693**; you may call us to check their complaint history. (Review the [brochure](#) to see an example of a license pocket card)

- Don't hire the first contractor who comes along; get at least **three (3) bids, and check references** (don't rush into repairs, no matter how badly they're needed); be skeptical of solicitations from those with out of state license plates; or if rushed by the contractor to agree to let them perform the work;
- Get a **written contract**; make sure the contractor's name, address and telephone number on the contract is legitimate (*not a P.O. Box address or phone answering services*); contract should include an anticipated start and completion date;
- Ask for proof of insurance ([workers compensation](#) is required if they have one (1) employee or more; and general liability insurance);
- Don't pay more than 1/3 down; never pay cash, and don't let the payments get ahead of the work; and

- Make sure the contractor obtains the local **permits** for **inspections**; the homeowner should not apply for the permit.

Following these tips may prevent a natural disaster from further resulting into a man-made one. Due to the current conditions of the building industry, several licensed contractors are available and offer competitive price estimates.

Should you encounter problems while rebuilding or wish to report an unlicensed contractor, you may do so by completing a complaint form from the website or contacting the Board's office.

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